

SECTION 8. HUMAN RESOURCE MANAGEMENT

Part 8.14 EDUCATIONAL ASSISTANCE

A. POLICY

1. It is the policy of the Department of Health to offer subsidies in compliance with IRS requirements to its employees job-related education and training courses taken on their own time, in compliance with Department of Human Resource Management Rules (HRM) 477-10-5.

B. GUIDELINES

1. The Education Assistance Program is not an employee right. Approval involves availability of funds and a management decision to improve an employee's job skills. In the event a Division/Office (D/O) receives more employee requests than it has funds to support, then requests will be approved based on value to the D/O.
2. No portion of the tuition/registration will be paid if an employee withdraws or fails to successfully complete a course taken under the Education Assistance Program.
3. Probationary employees and career service exempt employees are eligible for educational assistance if approved by the D/O Director.
4. Courses must be taken during the employee's off duty hours, annual leave or adjusted work schedule. The D/O Director may approve Administrative leave.
5. The D/O, with approval of the D/O Director, shall fully pay the costs when an employee is directed in writing by the supervisor to participate in a college or university education program.
6. All Education Assistance payments shall be made in compliance with the Department Education Assistance Contract addendum EAC.
7. For employees utilizing the Western Governors University, please use addendum WGU contract.

C. PROCEDURES

1. An Education Assistance Contract must be completed within two weeks after the beginning of the course work and signed by the employee/student, supervisor, and the D/O Director. D/O Director signature denotes budget and HR rules compliance.

D. REIMBURSEMENTS

1. Reimbursement shall be contingent upon the employee completing the required course with a passing grade. For classes using a letter grading system, passing means a "C" or better.
2. The D/O Director will determine the reimbursement rate up to 100% of the cost of tuition and books. Reimbursement will be from the D/O budget.
3. For employees attending the Western Governors University, money may be provided up front.

E. TAX-FREE, JOB-RELATED EDUCATIONAL ASSISTANCE

1. Treasury Regulation 1.162-5 states that educational aid may be "tax-free" if the educational expenses paid by the employer would have been deductible by the employee as ordinary and necessary business expense if the employee had paid them him/herself. If the educational expenses paid by the employer would not have been deductible by the employee but instead would have been disallowed as "personal, living or family expenses", the education aid is not tax-free. Specifically, to be tax-free, educational aid must either:
 - A. Maintain or improve skills required by the employee's employment or other trade or business (the "skill maintenance test"); or
 - B. Meet requirements imposed by the employer or applicable law or regulations as a condition of retaining the employee's established employment relationship, status, or rate of compensation (the "employer mandate test").
2. State reimbursement shall not exceed \$2,500 per employee in any one fiscal year. Payment for education of employees beyond the \$2,500 amount must receive advanced approval of the agency head.

3. Agency management shall be responsible for determining the taxable/non-taxable status of education assistance reimbursements as per DHRM R477-10-5.(2).

F. REIMBURSEMENT PROCESS

1. After successful course completion and within one month after grades are issued, the employee shall submit original receipts for tuition/registration, books, and a copy of his/her final grade report or proof of satisfactory course completion to the D/O. The D/O will submit original receipts along with the original contract to the Office of Fiscal Operations (OFO).
2. The OFO will issue a warrant request for reimbursement of educational assistance.

G. WITHDRAWAL/UNSUCCESSFUL COMPLETION OF COURSE

1. The employee shall notify his/her immediate supervisor in writing within one month of failure to successfully complete a course or upon withdraw of a course taken under the Education Assistance Contract.

H. CONTINUED EMPLOYMENT

1. An employee who is reimbursed for a course taken under the Education Assistance Program must remain employed for the State for one year following the reimbursement or refund the cost contributed by the Utah State Department of Health. The Utah State Department of Health is authorized to withhold wages owed to the employee in the event the employee voluntarily terminates employment with the State within one year after receiving education assistance. D/Os may prorate the required reimbursement if the employee leaves within a year of completing a course. The prorated amount would be calculated by the number of months worked for the Department after successfully completing a course.

**State of Utah
Department of Health**

Education Assistance Contract

A CONTRACT made and entered into between

Agency/Department

Division/Office

Hereinafter referred to as AGENCY and

Employee's Full Name

Social Security Number

Hereinafter called STUDENT-EMPLOYEE.

WHEREAS, the STUDENT-EMPLOYEE requests assistance from the AGENCY'S education assistance program, the STUDENT-EMPLOYEE and the AGENCY agree that the AGENCY will pay education cost(s) as described in paragraph 3a for the courses listed below:

Course Title/Number	School	Semester/Quarter	Total Cost
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total			_____

NOW THEREFORE, it is agreed by and on behalf on the parties hereto as follows:

1. All covenants and agreements herein contained shall be binding upon all parties hereto.
2. Either party may terminate this contract by submitting a termination request in writing.
3. The AGENCY certifies that:
 - a. It will pay the STUDENT-EMPLOYEE \$_____ which is _____% of the costs for the course(s) agreed on above. No payment will be made without receipts for the expenses for which reimbursement is being sought and documented proof of passing grades, as defined in the policy and HR rules for education assistance.

- b. The course(s) agreed on above satisfy development needs of the STUDENT-EMPLOYEE as specified in their Performance and Development Plan and will result in additional benefits to the AGENCY.
- c. The education assistance authorized for the above named STUDENT-EMPLOYEE has not exceeded the \$2500 maximum allowed for the current fiscal year, unless approved in advance by the agency head.

4. The STUDENT-EMPLOYEE by signing this contract agrees to the following:

- a. That the STUDENT-EMPLOYEE will make every effort toward successful completion of the course(s) agreed to above.
- b. That the STUDENT/EMPLOYEE will remain in the employment of the State for at least one year following completion of the above course(s), or refund the cost contributed by the State.
- c. That the State of Utah is authorized to withhold from the STUDENT/EMPLOYEE'S wages or salary monies owed by the employee for education assistance received under this contract in the event the employee terminates employment with the State within the one year period described above.

IN THE WITNESS WHEREOF, the AGENCY and the STUDENT/EMPLOYEE do hereby agree to these terms and statements.

Student/Employee _____ Date _____

Employee's Supervisor _____ Date _____

D/O Director _____ Date _____

HRM _____ Date _____

cc: personnel file

**State of Utah
Department of Health**

**Western Governors University
Education Assistance Contract**

A CONTRACT made and entered into between

Agency/Department

Division/Office

Hereinafter referred to as AGENCY and

Employee's Full Name

Social Security Number

Hereinafter called STUDENT-EMPLOYEE.

PROGRAM:

_____ AAS Network Administration
_____ AA General Education

WHEREAS, the STUDENT-EMPLOYEE requests assistance from the AGENCY'S education assistance program in order to participate in the Western Governors University. The STUDENT-EMPLOYEE and the AGENCY agree that the AGENCY will pay education cost(s), which may include application fees, customized academic action plan, domain tuition, learning opportunity tuition, books, supplies, and fees. These are listed below.

NOW THEREFORE, it is agreed by and on behalf of the parties hereto as follows:

1. All covenants and agreements herein contained shall be binding upon all parties hereto.
2. Either party may terminate this contract by submitting a termination request in writing.
3. The AGENCY certifies that:
 - a. It will pay the STUDENT-EMPLOYEE \$ _____ which is _____% of the Western Governors University costs agreed on above and that no payment will be made without receipts for the expenses for which reimbursement is being sought and documented proof of demonstrated competencies to be defined in the DHRM guidelines for educational assistance.

- b. The education assistance authorized for the above named STUDENT-EMPLOYEE has not exceeded the \$2500 maximum allowed for the current fiscal year, unless approved in advance by the agency head.

4. The STUDENT-EMPLOYEE by signing this contract agrees to the following:

- a. That the STUDENT-EMPLOYEE will successfully complete the requirements agreed to above.
- b. That the STUDENT-EMPLOYEE will remain in the employment of the state for at least one year following completion of these requirements or refund the prorated cost contributed by the state.
- c. That the STUDENT-EMPLOYEE will only be reimbursed for those costs that result in demonstrated competencies as assessed by the Western Governors University.
- d. That the State of Utah is authorized to withhold from the STUDENT-EMPLOYEE-S wages or salary monies owed by the employee for education assistance received under this contract in the event the employee terminates employment with the state within the one year period provided above.

IN WITNESS WHEREOF, the AGENCY and the STUDENT-EMPLOYEE hereby agree to these terms and statements.

Student/Employee	Date
------------------	------

Employee's Supervisor	Date
-----------------------	------

D/O Director	Date
--------------	------

HRM	Date
-----	------

cc: personnel file